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5
6 UNITED STATES DISTRICT COURT
7 DISTRICT OF ARIZONA

8 Blue Cross and Blue Shield of Arizona, Inc.,
9 an Arizona non-profit corporation; and Health
Choice of Arizona, Inc., an Arizona
10 corporation,

11 Plaintiffs,

12 v.

13 Change Healthcare Practice Management
Solutions, Inc., a Delaware corporation;
14 Change Healthcare Technologies, LLC, a
Delaware limited liability company; Change
15 Healthcare Solutions, LLC, a Delaware limited
liability company; and Change Healthcare
16 Payer Payment Integrity, LLC, a Delaware
limited liability company,

17 Defendants.

No. _____

18
19 **NOTICE OF REMOVAL**

20 PLEASE TAKE NOTICE that Defendants Change Healthcare Practice Management
21 Solutions, Inc., Change Healthcare Technologies, LLC, Change Healthcare Solutions, LLC,
22 and Change Healthcare Payer Payment Integrity, LLC (collectively “Defendants”),
pursuant to 28 U.S.C. §§ 1332, 1441, and 1446, hereby give notice of the removal of the
23 above-entitled action from the Superior Court of the State of Arizona, Maricopa County to
24 the United States District Court for the District of Arizona. As grounds for this removal,
25 Defendants respectfully state as follows:

26 **I. PLEADINGS**

27 1. On January 13, 2025, Plaintiffs initiated this lawsuit against Defendants in the
28 Superior Court of Maricopa County, Arizona, Case No. CV2025-001530 (the “State Court





1 Action”). In the Complaint, Plaintiffs allege claims against Defendants for breach of
2 contract, breach of the implied covenant of good faith and fair dealing, and violation of the
3 Arizona Consumer Fraud Act and seek an award of unspecified compensatory damages,
4 trebling of damages, punitive damages, and attorneys’ fees and costs.

5 2. Pursuant to 28 U.S.C. § 1446(a), attached collectively hereto as Exhibit 1 is a
6 true and correct copy of the Summonses, Complaint, and Certificate of Compulsory
7 Arbitration served upon Defendants in the State Court Action. No other process, pleadings
8 or orders have been served upon Defendants in this action except those that are attached to
9 this Notice of Removal.

10 **II. DIVERSITY JURISDICTION**

11 3. This is a civil action of which this Court has original federal jurisdiction under
12 28 U.S.C. § 1332. This case may be removed to this Court by Defendants pursuant to
13 28 U.S.C. §§ 1332 and 1441(b) because complete diversity of citizenship exists, the
14 amount-in-controversy exceeds the sum or value of \$75,000, exclusive of interest and costs,
15 and no defendant is a citizen of Arizona.

16 **A. Plaintiffs are Citizens of Arizona**

17 4. Plaintiff Blue Cross and Blue Shield of Arizona, Inc. is an Arizona
18 corporation with its principal place of business located in the State of Arizona. *See* Compl.,
19 ¶ 1.

20 5. Plaintiff Health Choice Arizona, Inc. is an Arizona corporation with its
21 principal place of business located in the State of Arizona. *Id.*, ¶ 2.

22 **B. No Defendant is a Citizen of Arizona**

23 6. Defendant Change Healthcare Practice Management Solutions, Inc. is a
24 Delaware corporation with its principal place of business located in the State of Minnesota.

25 7. Defendant Change Healthcare Technologies, LLC is a limited liability
26 company organized in Delaware with its principal place of business located in the State of
27 Minnesota. None of the owners/members of Change Healthcare Technologies, LLC is an
28 Arizona citizen. The sole member of Change Healthcare Technologies, LLC is Change

1 Healthcare Holdings, LLC, which is wholly-owned by Change Healthcare Intermediate
2 Holdings, LLC, which is wholly-owned by Change Healthcare LLC, which is wholly-
3 owned by Change Healthcare Holdco Inc. Change Healthcare Holdco Inc. is a Delaware
4 corporation with its principal place of business located in the State of Tennessee.

5 8. Defendant Change Healthcare Solutions, LLC is a limited liability company
6 organized in Delaware with its principal place of business located in the State of Tennessee.
7 None of the owners/members of Change Healthcare Solutions, LLC is an Arizona citizen.
8 The sole owner/member of Change Healthcare Solutions, LLC is Change Healthcare
9 Operations, LLC, which is owned by Change Healthcare Holdings, LLC (whose
10 owners/members are identified in paragraph 7 above).

11 9. Defendant Change Healthcare Payer Payment Integrity, LLC is a limited
12 liability company organized in Delaware with its principal place of business located in the
13 State of Tennessee. None of the owners/members of Change Healthcare Payer Payment
14 Integrity, LLC is an Arizona citizen. The sole owner/member of Change Healthcare Payer
15 Payment Integrity, LLC is Change Healthcare Solutions, LLC (whose owners/members are
16 identified in paragraph 8 above).

17 **C. The Amount-in-Controversy Exceeds \$75,000.**

18 10. In the Complaint, Plaintiffs allege that Defendants failed to implement certain
19 security safeguards to protect confidential information from Plaintiffs, including personal
20 health information of Plaintiffs' members, which resulted in "millions of dollars" of
21 damages to Plaintiffs. *See* Complaint, ¶¶ 12-17. Plaintiffs also requested an award of treble
22 damages pursuant to the Arizona Consumer Fraud Act, punitive damages, and attorneys'
23 fees and costs. *Id.* ¶¶ 137, 143, 180, Prayer for Relief.

24 11. Plaintiffs also allege in the Complaint that, pursuant to Rule 26.2(c) of the
25 Arizona Rules of Civil Procedure, this case should be designated by the court in the State
26 Court Action as a Tier 3 case, which is generally reserved for actions claiming \$300,000 or
27 more in damages (excluding punitive damages, attorneys' fees and costs). *Id.*, ¶ 7.
28



12. Based on the foregoing, it is “more likely than not” that the amount-in-controversy exceeds the sum or value of \$75,000.00, exclusive of interests and costs. *See Sanchez v. Monumental Life Ins. Co.*, 102 F.3d 398, 404 (9th Cir. 1996); *see also Dart Cherokee Basin Operating Co. v. Owens*, 574 U.S. 81, 89 (2014) (holding that “notice of removal need include only a plausible allegation that the amount in controversy exceeds the jurisdictional threshold”); *Centner v. TMG Offshore, Inc.*, No. CV-22-01032-PHX-JJT, 2022 WL 4396259, at *1 (D. Ariz. Sept. 23, 2022) (citing *Dart Cherokee Basin Operating Co.* and explaining that the “plausible allegation” standard is “akin the to the standard applied to a plaintiff’s complaint” under Fed. R. Civ. P. 8(a)).

10 **III. THE REMOVAL IS TIMELY**

13. Defendants were served with the Summons and Complaint, through an Acceptance of Service signed by undersigned counsel, on February 12, 2025. *See* Acceptance of Service, Exhibit 2. As such, this Notice is timely filed in accordance with 28 U.S.C. § 1446(b).

14. Defendants are the only properly served named defendants to this action. As such, no other defendant(s) need to join or consent to removal.

17 **IV. ALL OTHER REMOVAL PREREQUISITES HAVE BEEN SATISFIED**

15. Venue is proper in this district under 28 U.S.C. § 1441(a) because this district embraces the court in which the removed State Court Action was pending.

16. To the knowledge of Defendants, no further proceedings have occurred in the State Court Action.

17. A Notice of Filing of Notice of Removal, with a copy of this Notice of Removal attached, will be promptly filed in the State Court Action.

18. Contemporaneously with this filing, Defendants are providing Plaintiffs with a copy of this Notice of Removal and its accompanying exhibits.

WHEREFORE, Defendants Change Healthcare Practice Management Solutions, Inc., Change Healthcare Technologies, LLC, Change Healthcare Solutions, LLC, and Change Healthcare Payer Payment Integrity, LLC remove the State Court Action from the

1 Superior Court of Maricopa County, Arizona and respectfully request that this Court
2 exercise jurisdiction over this matter.

3 RESPECTFULLY SUBMITTED this 18th day of February, 2025.

4 WOMBLE BOND DICKINSON (US) LLP

5
6 By: s/Robert M. Kort
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WOMBLE BOND DICKINSON



CERTIFICATE OF SERVICE

I hereby certify that on February 18, 2025, I electronically transmitted the attached document to the Clerk's office using the CM/ECF System for filing and transmittal of a notice of Electronic Filing to the following CM/ECF registrants:

Keith Beauchamp – kbeauchamp@cblawyers.com

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By: s/Ashly White